



# FamilyResourceBook

## Understanding the Importance of A Special Needs Trust and Why You May Need One

**Special Needs Trust (SNT) - a specialized legal document designed to protect assets and preserve governmental benefits for an individual who has a disability.**

A special needs trust is designed to manage assets to support a person with special needs, without causing that person to become ineligible for means-based government benefits. During the process of planning your estate, it is important that you NOT leave an inheritance directly to a loved-one with special needs. Currently, if a person with disability has assets over the limit of \$2,000, they will lose eligibility for many government benefits. Planning is important, because many adults with disabilities rely on government benefits for support. *Failing to plan properly could cause your loved-one to become ineligible for SSI and Medicaid.*



To avoid this situation, consider creating a special needs trust. Federal law permits you to create this vehicle to hold assets for the benefit of a person with special needs without disqualifying them from SSI and Medicaid. With this in place, an inheritance for the benefit of a person with special needs can be made payable to the special needs trust. The trust will be governed by a person you name, while the sole beneficiary is the person with the disability.

Medicaid and other public benefit programs typically do not pay for everything your family member might need. However, SNT's can pay for items not provided by government assistance or other resources. Some families make a big mistake and "disinherit" a child with special needs so that the child can qualify for SSI and Medicaid. Oftentimes, the one heir who needs an inheritance more than any other is a child with a disability.

### **When you pass away, how will your loved-one's living expenses be paid?**

Many families at Marbridge do have a special needs trust in place for their resident, protecting their assets and ensuring their life-long comfort and security at Marbridge. If your estate plan does not yet include a special needs trust, please consider speaking with your estate attorney. If you do not have an estate attorney, contact Barbara Bush, Director of Admissions, for a list of referrals. (Bbush@marbridge.org)